



February 1, 2002

SENATE BILL No. 329

DIGEST OF SB 329 (Updated January 30, 2002 4:33 PM - DI 87)

Citations Affected: IC 5-27; IC 36-1; IC 36-2.

Synopsis: Electronic payments to governmental bodies. Establishes a uniform procedure that allows all levels of government to accept credit cards and other forms of electronic payment as payment for a service, a tax, a license, a permit, a fee, information, or any other amount due to a governmental body. Eliminates separate provisions allowing local governments and county treasurers to accept electronic payments.

Effective: July 1, 2002.

Ford

January 8, 2002, read first time and referred to Committee on Governmental and Regulatory Affairs.
January 31, 2002, amended, reported favorably — Do Pass.

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SB 329—LS 6697/DI 94+



February 1, 2002

Second Regular Session 112th General Assembly (2002)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2001 General Assembly.

SENATE BILL No. 329

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 5-27 IS ADDED TO THE INDIANA CODE AS A
2 NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1,
3 2002]:

4 **ARTICLE 27. ELECTRONIC PAYMENTS TO**
5 **GOVERNMENTAL BODIES**

6 **Chapter 1. Applicability**

7 **Sec. 1. This article applies to a governmental body.**

8 **Chapter 2. Definitions**

9 **Sec. 1. The definitions in this chapter apply throughout this**
10 **article.**

11 **Sec. 2. "Contract" means the total legal obligation resulting**
12 **from the parties' agreement as affected by this chapter and other**
13 **applicable law.**

14 **Sec. 3. "Electronic payment" means a payment by means of:**

15 **(1) a credit card;**

16 **(2) a debit card;**

17 **(3) a charge card;**

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- (4) a stored value card;
- (5) a bank card;
- (6) an electronic check; or
- (7) an electronic funds transfer, including but not limited to:
 - (A) Fed wire; and
 - (B) Automated Clearing House.

Sec. 4. "Governmental body" means:

- (1) the state and its subdivisions;
- (2) a county;
- (3) a municipality;
- (4) a township;
- (5) a school corporation; or
- (6) any other separate local governmental entity that may sue and be sued.

Sec. 5. "Provider company" means an individual, a corporation, a limited liability company, a partnership, a joint stock company, a business trust, a voting trust, a joint venture, an association, or a similar organization that provides a system allowing electronic payments.

Chapter 3. Electronic Payment

Sec. 1. A governmental body may accept electronic payment for a service, a tax, a license, a permit, a fee, information, or any other amount due the governmental body.

Sec. 2. (a) A governmental body may enter into a contract with a provider company to enable the governmental body to accept an electronic payment.

(b) A governmental body, other than the state or a state agency:

- (1) must use a process to accept payment for electronic access to a fee based service, license, or permit, or to fee based information that meets the minimum technical and safety parameters determined by the network manager established by the intelnet commission under IC 5-21-2-2(c); and
- (2) may use the process created by the network manager established by the intelnet commission under IC 5-21-2-2(c) to accept payment for electronic access to a fee based service, license, or permit, or to fee based information.

(c) The state or a state agency must use the provider company provided or specified by the network manager established by the intelnet commission under IC 5-21-2-2(c) to accept an electronic payment submitted to the governmental body as payment for a fee based service, license, or permit or for fee based information obtained through electronic access.



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1 **Sec. 3. (a) A governmental body may:**

- 2 (1) recognize the net amount remitted by the provider
3 company as payment in full of an amount due the
4 governmental entity for a service, a tax, a license, a permit, a
5 fee, information, or any other amount due the governmental
6 body that was paid by an electronic payment; or
7 (2) collect a sum for the vendor transaction charge, discount
8 fee, or any other charge from the person who makes an
9 electronic payment.

10 **A fee under subdivision (2) may be collected as an enhanced service**
11 **fee by a governmental body. The fee is a permitted additional**
12 **charge under IC 24-4.5-3-202.**

13 **(b) A governmental body may pay a service charge or fee in**
14 **connection with its agreement with the provider company.**

15 SECTION 2. IC 36-1-8-11 IS AMENDED TO READ AS
16 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 11. (a) This section
17 does not apply to a county treasurer governed by IC 36-2-10-23.

18 (b) As used in this section, "credit card" means a:

- 19 (1) credit card;
20 (2) debit card;
21 (3) charge card; or
22 (4) stored value card.

23 (c) (b) A payment to a political subdivision or a municipally owned
24 utility for any purpose may be made by any of the following financial
25 instruments that the fiscal body of the political subdivision or the board
26 of the municipally owned utility authorizes for use:

- 27 (1) Cash.
28 (2) Check.
29 (3) Bank draft.
30 (4) Money order.
31 (5) Bank card or credit card.
32 (6) (5) Electronic funds transfer: payment under IC 5-27.
33 (7) (6) Any other financial instrument authorized by the fiscal
34 body.

35 (d) If there is a charge to the political subdivision or municipally
36 owned utility for the use of a financial instrument other than a bank
37 card or credit card, the political subdivision or municipally owned
38 utility shall collect a sum equal to the amount of the charge from the
39 person who uses the financial instrument.

40 (e) If authorized by the fiscal body of the political subdivision or the
41 board of the municipally owned utility, the political subdivision or
42 municipally owned utility may accept payments under this section with

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a bank card or credit card under the procedures set forth in this section. However, the procedure authorized for a particular type of payment must be uniformly applied to all payments of the same type.

(f) The political subdivision or municipally owned utility may contract with a bank card or credit card vendor for acceptance of bank cards or credit cards.

(g) The political subdivision or municipally owned utility may pay any applicable bank card or credit card service charge associated with the use of a bank card or credit card under this subsection.

~~(h)~~ (c) The authorization of the fiscal body of the political subdivision is not required by the bureau of motor vehicles or the bureau of motor vehicles commission to use electronic funds transfer or other financial instruments to transfer funds to the political subdivision.

SECTION 3. IC 36-2-10-23 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 23. (a) Notwithstanding any other law, payments to the treasurer for any purpose, including property tax payments, may be made by any of the following financial instruments that the treasurer authorizes for use:

(1) Cash.

(2) Check.

(3) Bank draft.

(4) Money order.

~~(5) Bank card or credit card.~~

~~(6)~~ (5) Electronic funds transfer: payment under IC 5-27.

~~(7)~~ (6) Any other financial instrument authorized by the treasurer.

(b) If there is a charge to the treasurer for the use of a financial instrument other than a bank card or credit card, the treasurer shall collect a sum equal to the amount of the charge from the person who uses the financial instrument.

(c) A treasurer may contract with a bank card or credit card vendor for acceptance of bank or credit cards. However, if there is a vendor transaction charge or discount fee, whether billed to the treasurer or charged directly to the treasurer's account, the treasurer shall collect from the person using the card an official fee that may not exceed the highest transaction charge or discount fee charged to the treasurer by bank or credit card vendors during the most recent collection period. This fee may be collected regardless of retail merchant agreements between the bank and credit card vendors that may prohibit such a fee. The fee is a permitted additional charge under IC 24-4.5-3-202.

~~(d)~~ (b) Notwithstanding subsection (a), the authorization of the treasurer is not required for the bureau of motor vehicles or the bureau

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- 1 of motor vehicles commission to use electronic funds transfer or other
- 2 financial instruments to transfer funds to the county treasurer.

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COMMITTEE REPORT

Mr. President: The Senate Committee on Governmental and Regulatory Affairs, to which was referred Senate Bill No. 329, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, line 4, delete "." and insert ", **including but not limited to:**

(A) Fed wire; and

(B) Automated Clearing House."

Page 2, delete lines 35 through 38, begin a new paragraph and insert:

"(c) The state or a state agency must use the provider company provided or specified by the network manager established by the intelnet commission under IC 5-21-2-2(c) to accept an electronic payment submitted to the governmental body as payment for a fee based service, license, or permit or for fee based information obtained through electronic access."

Page 3, line 3, delete "equal to the amount of a" and insert **"for the"**.

Page 3, delete lines 6 through 9, begin a new line blocked left and insert:

"A fee under subdivision (2) may be collected as an enhanced service fee by a governmental body. The fee is a permitted additional charge under IC 24-4.5-3-202."

and when so amended that said bill do pass.

(Reference is to SB 329 as introduced.)

MERRITT, Chairperson

Committee Vote: Yeas 8, Nays 0.

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